



Australian Government

Department of Education, Employment and Workplace Relations

Survey of Employers' Recruitment Experiences

Darwin ESA – October 2010

This report was prepared by the Labour Market Research and Analysis Branch and is based on research conducted by the branch.

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Australian Labour Market

- Prior to the onset of the Global Financial Crisis in September 2008, economic and labour market conditions in Australia had been reasonably strong, although the unemployment rate had already troughed, at 4.0 per cent in February 2008, and the pace of employment growth had begun to ease. In September 2008, however, world growth weakened dramatically and economic and labour market conditions in Australia deteriorated sharply.¹
- Since August 2009, the economic downturn has eased. The Australian labour market has shown significant signs of recovery, with a fall in the unemployment rate of 0.6 percentage points to 5.2 per cent and a rise in employment of 488 000 people to 11 418 000 between August 2009 and December 2010.

The Darwin Employment Service Area

- The Darwin ESA is comprised of the Darwin and Palmerston local Government Areas.
- The unemployment rate for the Darwin Employment Service Area decreased by 0.6 percentage points to 1.6 per cent over the year to September 2010², which was substantially lower than the comparable rate for Australia (5.3 per cent).
- The Darwin labour market has been resilient during the recent Global Financial Crisis, with the unemployment rate remaining relatively stable in the year following September 2008, compared with an increase of 1.1 percentage points for Australia.
- Darwin had the second highest population growth rate of any region in Australia (3.1 per cent), behind Perth (3.2 per cent) in 2008–09.³

Survey of Employers' Recruitment Experiences

- In order to gain a better understanding of labour market conditions in the Darwin Employment Service Area, the Department of Education, Employment and Workplace Relations (DEEWR) conducted a Survey of Employers' Recruitment Experiences in October 2010. The survey was conducted by telephone interview with 305 businesses in the Employment Service Area. The Darwin area was previously surveyed in April 2007, when 289 employers were surveyed.
- Findings from the survey highlight the extent and nature of recruitment difficulties facing local employers and provide insight into the challenges facing businesses in the current economic climate.
- The survey collected information on:
 - the recruitment of employees in the 12 months preceding the survey;
 - changes in staffing levels in the three months preceding the survey;
 - the experience employers had recruiting for their most recent vacancy; and
 - recruitment expectations in the 12 months following the survey.

¹ Australian Bureau of Statistics, *Labour Force, Australia*, December 2010, cat. no. 6202.0 (seasonally adjusted series).

² DEEWR, *Small Area Labour Markets*, September 2010.

³ ABS, *Regional Population Growth, Australia 2008–09*, cat. no. 3218.0.

Key Findings

- The results of the survey show that labour market conditions in the region and employers' expectations for the future are strong, with a very high proportion of recent vacancies remaining unfilled and a large proportion of employers experiencing recruitment difficulty. Opportunities for job seekers exist for Community and Personal Service Workers (particularly for Child Carers) and Technicians and Trades Workers (particularly for Metal Trades Workers).

Recruitment Experiences in the 12 Months Preceding the Survey

- A substantially larger proportion of employers had recruited in the Darwin Employment Service Area in the last 12 months (84 per cent) compared with all regions surveyed in the 12 months to October 2010⁴ (69 per cent).
- Almost all employers (91 per cent) had recruited due to staff turnover.
- A larger proportion of vacancies over the preceding 12 months remained unfilled (8.0 per cent) compared with all regions surveyed in the 12 months to October 2010 (6.9 per cent).
- A higher proportion of employers reported difficulty recruiting in the preceding 12 months (68 per cent) compared with all regions (53 per cent).

Table 1. Recruitment experiences in the 12 months preceding the survey

	Darwin Employment Service Area (October 2010)	Darwin ⁵ (April 2007)	All Regions (12 months to October 2010)
Proportion of employers who recruited	84%	58%	69%
- to increase staff	51%	n.a.	56%
- to replace staff	91%	n.a.	82%
Proportion of recruiting employers who experienced difficulty	68%	71%	53%
Proportion of unfilled vacancies	8.0%	9.5%	6.9%

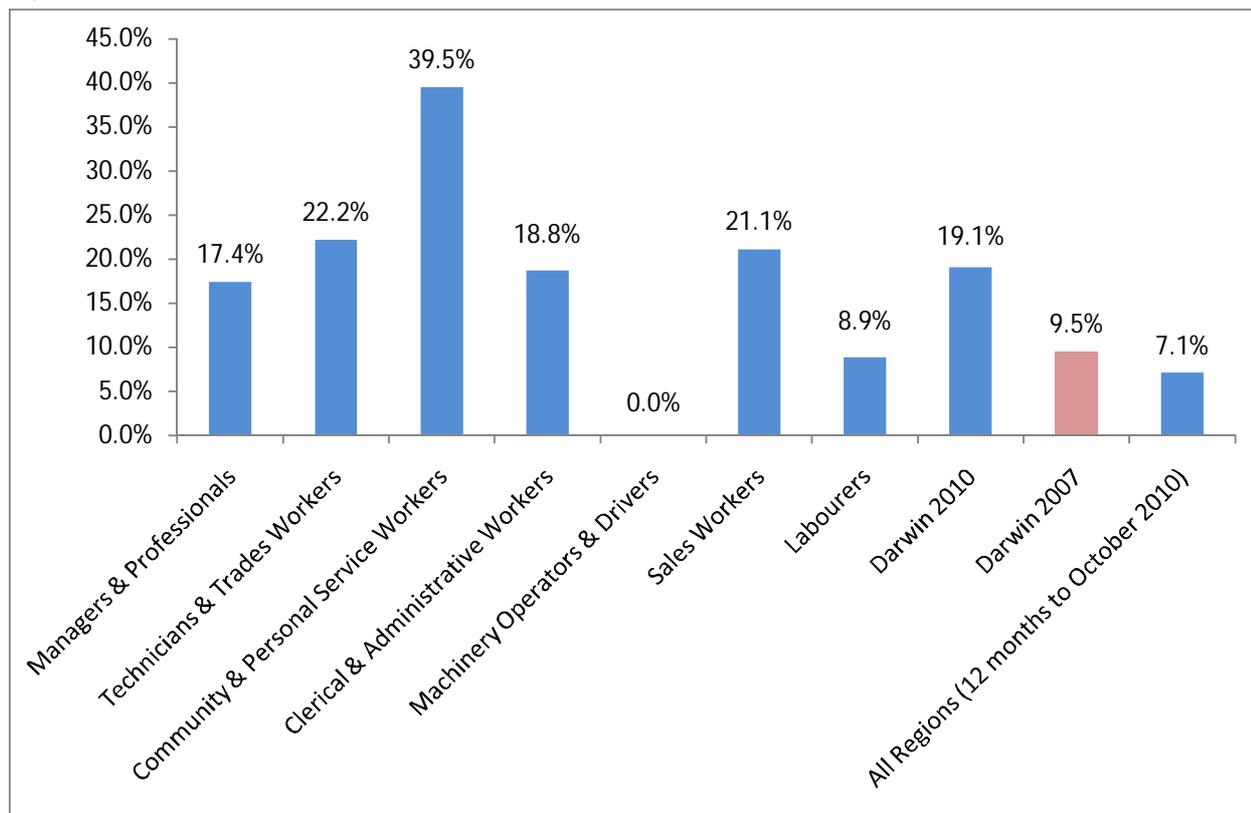
⁴ Of the 25 areas surveyed in the 12 months to October 2010, 21 were Priority Employment Areas and therefore these data may reflect disadvantaged labour markets.

⁵ There are small differences between the size of the Darwin region in the April 2007 and October 2010 surveys, so some caution should be used when comparing results between these two surveys.

Most Recent Recruitment Activity

- In employers' most recent recruitment round, a considerably larger proportion of vacancies remained unfilled in the Darwin Employment Service Area (19.1 per cent) compared with all regions surveyed in the 12 months to October 2010 (7.1 per cent) (see Figure 1). The most recent unfill rate was double the rate recorded in Darwin in April 2007 (9.5 per cent).
- The highest proportion of vacancies remained unfilled for Community and Personal Service Workers (39.5 per cent), driven by unfilled Child Carer vacancies, and Technicians and Trades Workers (22.2 per cent), driven by unfilled vacancies for Metal Trades Workers.

Figure 1. Proportion of unfilled vacancies in the most recent recruitment round



- A higher proportion of employers reported difficulty recruiting for their most recent vacancy (54 per cent) compared with all regions surveyed (41 per cent), but to a lesser extent compared with Darwin employers surveyed in April 2007 (63 per cent).
- Employers in the Other Services⁶ (68 per cent), Accommodation and Food Services (67 per cent) and Health Care and Social Assistance (67 per cent) industries reported the highest levels of recruitment difficulty.
- Employers with vacancies for medium skilled occupations, such as General Clerks and Child Carers had the highest level of recruitment difficulty (70 per cent).

⁶ The Other Services industry includes repair and maintenance, hairdressing, beauty, religious, civic, professional and other interest group services.

- Employers in the Darwin Employment Service Area reported difficulty filling many occupations across a range of skill levels (see Figure 2). General Sales Assistants, General Clerks, Receptionists and Child Carers were the occupations that were most commonly mentioned as being difficult to fill.
- The number and variety of difficult to fill occupations in Darwin indicates that there is opportunity for entry into the labour force via the lower skilled occupations. The difficult to fill occupations in Darwin also provide choices for career path progression or further upskilling (e.g. from Building and Plumbing Labourer to a trades apprentice, or from Storeperson to Delivery Driver to Truck Driver, or from Child Carer to Early Childhood Teacher).

Figure 2. Occupations difficult to fill by skill level

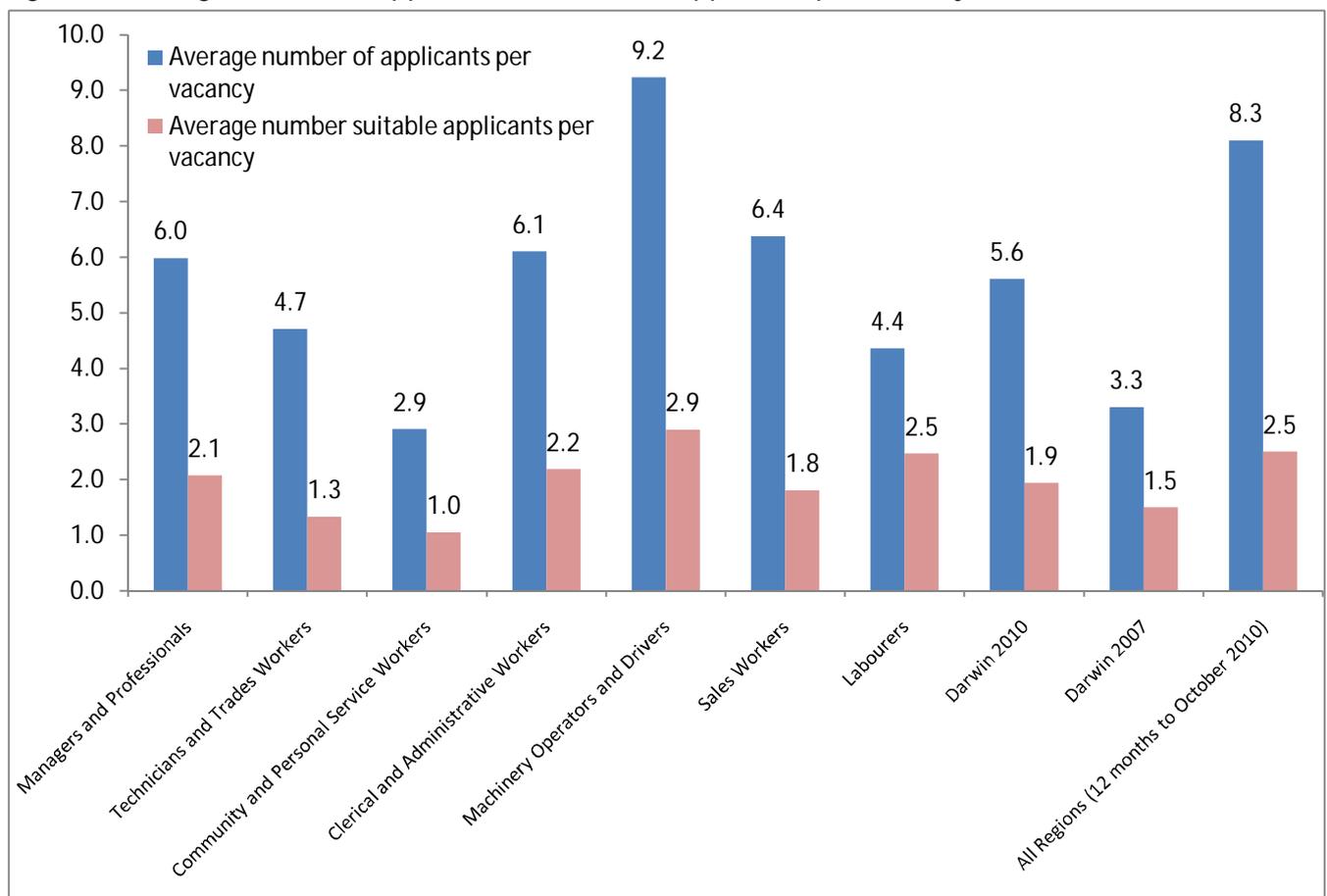
Bachelor Degree or Higher VET Qualifications	
Early Childhood (Pre-primary School) Teachers	General Managers
Contract, Program and Project Administrators	Real Estate Sales Agents
Electricians*	Metal Fitters and Machinists
Structural Steel and Welding Trades Workers	Vehicle Painters
Other Occupations	
Sales Assistants (General)*	General Clerks*
Receptionists*	Child Carers*
Bar Attendants and Baristas	Waiters
Purchasing and Supply Logistics Clerks	Storepersons
Delivery Drivers	Truck Drivers*
Sales Representatives	Personal Assistants
Retail Supervisors	Checkout Operators
Service Station Attendants	Housekeepers
Building and Plumbing Labourers	

*Indicates occupations that were difficult to fill in April 2007 and October 2010, which suggests employers have experienced persistent difficulty in filling these vacancies.

Applicants and Suitability

- The average number of applicants per vacancy in Darwin (5.6) was lower compared with all regions surveyed in the 12 months to October 2010 (8.3) (see Figure 3).
- The average number of suitable applicants per vacancy (1.9) was lower than all regions surveyed in the 12 months to October 2010 (2.5).
- The proportion of suitable applicants in Darwin fell between April 2007 and October 2010. In April 2007, there was a lower average *number* of applicants per vacancy (3.3) and a similar number of suitable applicants per vacancy (1.5). However, the *proportion* of suitable applicants fell from 44 per cent in April 2007 to 34 per cent in October 2010.
- The most common reason that applicants in Darwin were considered unsuitable was insufficient experience to perform the duties of the position (64 per cent), followed by insufficient qualifications (23 per cent).
- Poor attitudes, limited interest in the job, poor English language skills and poorly written/poorly presented applications were also commonly reported by employers, especially those with lower skilled vacancies.

Figure 3. Average number of applicants and suitable applicants per vacancy, Darwin October 2010



- Employers considered the technical skill requirements for the job (46 per cent) and the soft skill requirements (24 per cent) to be the leading causes of recruitment difficulty. This was particularly the case in the Manufacturing industry, where technical and soft skill requirements were the reason for recruitment difficulty in 67 per cent and 38 per cent of cases respectively.

Apprentices and Trainees

- A higher proportion of employers in the Darwin Employment Service Area employed an apprentice and/ or trainee (37 per cent) compared with all regions surveyed in the 12 months to October 2010 (35 per cent).
- Likewise, a higher proportion of employers expected to recruit an apprentice and/ or trainee in the 12 months following the survey (27 per cent) compared with all regions surveyed in the 12 months to October 2010 (23 per cent).
- The survey results show that demand for Technicians and Trades Workers is strong (22.2 per cent unfill rate and only 1.3 suitable applicants per vacancy), suggesting that the supply of apprentices needs to continue and may need to increase to meet future demand.

Job Services Australia

- Amongst employers there was moderate awareness of Job Services Australia (57 per cent). Around one quarter (24 per cent) of employers who were aware of Job Services Australia had used the service, and half of these employers (50 per cent) were satisfied with the service they received.
- The most common reason for dissatisfaction with Job Services Australia was the poor customer service provided by JSA providers (44 per cent) and that the technical skills of the JSA referrals did not match the job description (39 per cent).
- These findings suggest that Job Services Australia providers in Darwin could improve the level of engagement with employers in terms of customer service provision and understanding employers' needs.

Future Recruitment Expectations

- Recruitment expectations in the 12 months following the survey were relatively strong in the Darwin Employment Service Area, with a higher proportion of employers expecting to recruit and a higher proportion expecting to experience recruitment difficulty compared with all regions surveyed in the 12 months to October 2010 (see Figure 4). This may indicate that, as the labour market continues to strengthen, the Employment Service Area may continue to face recruitment challenges due to skills and labour shortages.

Figure 4. Recruitment expectations for the 12 months following the survey

<i>Proportion of employers</i>	Darwin Employment Service Area (October 2010)	Darwin Employment Service Area (April 2007)	All Regions (12 months to October 2010)
Expects to recruit	66%	55%	46%
Expects future difficulty	57%	66%	40%
Expects to increase staff numbers	38%	n.a.	28%
Expects to reduce staff numbers	2%	n.a.	3%

- Employers considered the tight labour market (49 per cent) and the technical skill requirements for the job (32 per cent) to be the leading causes of future recruitment difficulty.
- Uncompetitive wages was a commonly reported cause of anticipated recruitment difficulty in the Health Care and Social Assistance industry (80 per cent) and the Manufacturing industry (38 per cent).
- Less than half of employers (41 per cent) anticipated that they would face either new or ongoing challenges in the 12 months following the survey, which was lower compared with all areas surveyed in the 12 months to October 2010 (54 per cent).
- In Darwin, reduced business activity was the most commonly reported challenge (27 per cent), which was similar to all regions surveyed in the 12 months to October 2010. Darwin employers also reported challenges regarding future skill shortages (20 per cent) and changes in the structure of the market (19 per cent).

Indigenous Employees

- Four in ten employers surveyed in Darwin (38 per cent) had an Indigenous employee, but only 10 per cent had a targeted level of Indigenous employment and 18 per cent had strategies in place to attract Indigenous staff.

Opportunities for Job Seekers

- Opportunities for job seekers may exist in several industries, namely Health Care and Social Assistance, Manufacturing and Retail Trade industries, due to:
 - Higher than average unfill rates in employers' most recent recruitment round;
 - Very high levels of recruitment due to staff turnover (both past and anticipated future);
 - Above average incidence of recruitment difficulty;
 - Low average numbers of applicants per vacancy, and
 - The prevalence of lower skilled occupations that were difficult to fill.
- Opportunities for job seekers exist for Community and Personal Service Workers (particularly for Child Carers) and Technicians and Trades Workers (particularly for Metal Trades Workers) due to:
 - High unfill rates in employers' most recent recruitment round;
 - Low level of competition for vacancies; and
 - Above average incidence of recruitment difficulty.
- Opportunities also exist in the Sales Workers occupation group (particularly General Sales Assistants) with 21.1 per cent of vacancies remaining unfilled and a low proportion of applicants considered suitable (28 per cent).



For more information:

- **Labour Market Information Portal:**
www.deewr.gov.au/lmip
- **Skill Shortages**
www.deewr.gov.au/skillshortages
- **Survey of Employers' Recruitment Experiences**
www.deewr.gov.au/regionalreports
- **Job Outlook**
www.joboutlook.deewr.gov.au
- **SkillsInfo**
www.skillsinfo.gov.au

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